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# Minutes

## Board of Natural Resources Meeting

September 2, 2008  
Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

The Honorable Doug Sutherland, Commissioner of Public Lands  
Bob Nichols, for the Honorable Christine Gregoire, Washington State Governor  
Bruce Bare, Dean, University of Washington, College of Forest Resources  
The Honorable Terry Bergeson, Superintendent of Public Instruction

### BOARD MEMBERS ABSENT

Daniel J. Bernardo, Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences  
The Honorable Jon C. Kaino, Commissioner, Pacific County

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### CALL TO ORDER

Chair Sutherland called the meeting to order at 9:08 a.m. on September 2, 2008, in Room 172 of the Natural Resources Building.

### APPROVAL OF MINUTES

MOTION: Terry Bergeson moved to approve the July 1, 2008, Board of Natural Resources Meeting Minutes.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

### PUBLIC COMMENTS FOR AGENDA ACTION ITEMS

NONE

### TIMBER SALES (Action Item)

#### Proposed Timber Sales for October 2008 (Handout 1)

Jon Tweedale, Assistant Division Manager, Product Sales & Leasing Division, greeted the Board and provided the timber sales presentation for the month of October. He also provided an update on the windstorm sales results. He said that the market is still flat; lumber prices have come up slightly resulting in slightly higher stumpage prices; supplies are tight because industrial producers of timber have slowed down production and curtailments are matching the supply of production. He said that under the circumstances the market is doing relatively well. Pulp wood supply has been tight, but with the blowdown, prices have not moved upward; there

is adequate supply. Mr. Tweedale suggested that the pulp prices may increase when the blowdown has been harvested; industry forecasters tended to agree.

Mr. Tweedale reviewed photos of the Rue Creek Drainage, a 600 acre valley which is the largest blowdown block on state lands. He explained that this is the current contract harvest blowdown sale and that there are 8 to 10 different operators on this single sale. He reported that the blowdown includes a total of 3700 acres on state lands and 22, 000 acres on private lands. The areas included riparian areas that were blown through, including marbled murrelet occupied habitat and in the highlands general ecological management areas that have no habitat requirements on operations. He noted that safety is the top priority for harvesters and staff; there has been one accident. The Department is working with L&I (Washington State Department of Labor and Industries) to evaluate unsafe tree removal and what option might be available for removal. There may be trees left standing where it is determined that it is unsafe to go in and remove them.

Terry Bergeson said that it is hard to see the proportion of the blowdown.

Mr. Tweedale said that it is immense and is a full section of 640 acres.

Ms. Bergeson asked if any of the trees are left standing.

Mr. Tweedale replied that in many situations they have found trees standing which is allowing the harvesters to leave the eight legacy trees required in the HCP (Habitat Conservation Plan). He said that the Board resolution has helped to shorten the time to bring sales to market by three to four months. He also said that the division/ agency partnerships have been significant; Tami Miketa has worked hard on those partnerships to bring modifications to the riparian and marbled murrelet strategies so that the HCP could be fully implemented in the Blowdown Project and still accomplish the habitat goals in those areas.

Ms. Bergeson asked for an example of the partnerships.

Mr. Tweedale explained that his presentation included an example and he would get to that, but first he wanted to mention the positive lessons that have been learned on the adaptability of operations and what can be accomplished while staying within the boundaries of the process, and by educating the partners in new operating ideas.

Mr. Tweedale addressed Ms. Bergeson's question. He explained that the riparian restoration area included a stream channel area where there were trees three to five layers deep, stacked up on each other. Prior to the operation the situation would plug the creek which is not conducive to riparian restoration. The services agreed to remove the top layer of trees if they could be pulled out of the stream without touching the stream bank, and without compromising its integrity. They also decided to leave a single layer of trees that would degrade over time depositing material for restoration, plus leaving the trees along the stream bank that are still standing to maintain the Department's riparian strategy goals. He explained that this is a typical situation where the Department is operating in a riparian zone and is able to operate because



the Land Management Division and the region worked together to negotiate the strategies. The Department then worked with the partners to develop the strategy, developing cutting cards, which are a plasticized card that the loggers can use that outline the restrictions placed on the Department by services to protect the streams. The cards help the loggers to make sure they are complying with the restrictions which include the single layer, not operating machinery within 25 feet, and operating within a 100-foot zone from the stream bank which is called the inner core.

Ms. Bergeson asked how the top layers of trees were removed without disturbing the stream bank.

Mr. Tweedale said that in most of the areas they were able to operate a boom shovel which has the capacity to reach 60 to 80 feet; it grabs the trees and pulls them up. There are other situations where the top layer of trees can be pulled off without damaging the stream bank. There are also tower sites where cables can be implemented using deflection to lift logs straight up and off the stream bank. He said that there are numerous creative ways to remove the logs while protecting the stream bank. He showed a couple of additional slides that showed material left along the stream bank and also legacy trees that were left after the blowdown was removed. He pointed out a marbled murrelet occupied site that lost several large platform trees. With the cooperation of the DNR region, DNR land management and the services the trees on the ground were salvaged and anything that had platforms or wasn't damaged will be left. Operations will resume after the breeding season, which is September 1<sup>st</sup>. He noted that cooperation is the key that has allowed them to salvage the value in an occupied murrelet area yet maintain it as habitat.

Ms. Bergeson asked if the marbled murrelet came back after the windstorm.

Mr. Tweedale replied that he did not know.

Ms. Bergeson asked if it is still considered potential habitat.

Mr. Tweedale said that it was classified as habitat and will be maintained as a habitat unit; he said that only time will tell.

Bob Nichols asked Mr. Tweedale if he meant the trees that were still standing when he referred to the platform trees.

Mr. Tweedale said that was correct.

Mr. Nichols asked if they could have taken those trees anyway.

Mr. Tweedale said that they could not have taken them.

Chair Sutherland clarified that they picked up the trees on the ground that weren't in the middle of the stream.

Mr. Tweedale reviewed the Blowdown Project Status:

Sales:

29 sales sold; 4 sales completed; 13 being logged; 8 sold in August; 4 inactive.

Harvest:

130 mmbf sold; 11.2 mmbf removed; \$7.0 million sold value; Average price: \$54/mbf; \$1.8 million income to-date.

Mr. Tweedale reminded the board members that the Blowdown Resolution states that the blowdown has to sell for an amount over and above the price stated in the resolution and that the \$54/mbf met the criteria of all the tiers. He explained that what makes the sale value significant is that the blowdown itself cut the value of the timber in half, had it not blown down it would be worth \$14 million or more; because of the higher percentage of pulp wood and broken pieces it's lower in value. On the flip side the Department has completed an economic analysis on 3700 acres for its investment return. Several alternatives were developed:

- Leave it to return naturally to hemlock;
- Leave as is and the Department could try to plant Douglas fir in between; or
- Harvest and re-plant.

The net present value for the last alternative was \$3,000 to \$4,000 per acre net present value over the other alternatives. In other words the Department has enhanced asset value for the trust, net present value \$15 to \$20 million over if we had walked away and left it to come back naturally. It would have come back in hemlock and the Department wanted a mixture of hemlock and fir. He said the better alternative is to plant the fir to meet the goal of maximizing value to the trust.

Ms. Bergeson said that was the only logical alternative if the Department wants to keep the fiduciaries happy.

Mr. Tweedale agreed.

Mr. Nichols asked about the 4 inactive sales.

Mr. Tweedale said they were sold but haven't started yet.

Ms. Bergeson asked how long they can remain inactive.

Mr. Tweedale said they would most likely start them this fall. He explained that if the purchaser waits too long the timber begins to degrade. The Department does have time restrictions and have placed a 12 month removal limit on the sales.

Ms. Bergeson asked if we would take them back if they pass the 12 month limit.

Mr. Tweedale replied that the Department would take it back; the purchaser would forfeit significant financial performance bonds and that it is not in anybody's best interest for that to happen.

#### July 2008 Sales Results

- 9 sales offered & 6 sold; 42.1 mmbf offered & 20.9 mmbf sold; \$6.0 million minimum bid & \$5.4 million sold; \$143/mbf offered & \$259/mbf sold; average number of bidders = 5.0

#### August 2008 Sales Results:

- 9 sales offered & 6 sold; 34.9 mmbf offered & 22.9 mmbf sold; \$6.6 million minimum bid & \$5.8 million sold; \$189/mbf offered & \$253/mbf sold; average number of bidders = 3.3

Mr. Tweedale noted that it cost the Department \$500,000 to lay out the blowdown sales and bring them to market, and that the \$7.0 million sale value is a good return on the investment. He said that this shows a significant productivity increase at the region level and that knowledge will be transferred to other DNR regions, restructuring the way sales are set up.

Chair Sutherland asked if the 6 sales that weren't sold in July and August will come back again.

Mr. Tweedale said that they would and that staff was able to change the way in which a couple of the sales were bid. He said the price wasn't changed, one sale was made a scale sell and it was already re-offered in September; as long as the price remains the same that can be done. It would have to be brought back to the Board if the price were dropped.

#### Proposed October 2008 Board Sales:

- 7 sales at 30.5 mmbf; \$6.8 million minimum bid; average \$223/mbf.

There were no SEPA comments.

Mr. Bare asked why there have been no sales in eastern Washington the last few months.

Mr. Tweedale said that it has to do with the timing of when the sales come forward. He said that summer is operating mode for eastern Washington, and that sales mode is generally fall and spring. Fire season plays a role as well.

MOTION: Bruce Bare moved to approve the October 2008 timber sales.

SECOND: Terry Bergeson seconded.



ACTION: Motion passed unanimously.

## LAND TRANSACTIONS

### Hamma Hamma Balds Trust Land Transfer #02-081544 (Handouts 2)

Evert Challstedt, Property and Acquisition Specialist, reminded the Board members that this transaction was presented at both the June and July meetings and that the Board approved the Intergrant Exchange, but not the Trust Land Transfer. As a result of the exchange, the entire property is comprised of Common School Trust land and can now be transferred directly to Natural Preserve Status as provided by legislation.

With the board's concurrence, Mr. Challstedt provided a quick overview of the transaction that was presented in detail at the June and July meetings. He discussed the natural heritage elements to be protected and identified the components of value. Mr. Challstedt noted that the timber value of \$5,258,000 will be deposited to the Common School Construction Account and the land component of value of \$221,000 will be used to acquire other land better suited to provide income for the Common School Trust. He concluded by asking the Board to approve the Hamma Hamma Balds Trust Land Transfer.

Chair Sutherland asked for confirmation of the acres involved.

Mr. Challstedt replied that there were 957 acres involved.

Chair Sutherland asked if those 957 acres would be added to the current 125,000 acres in NAP program.

Mr. Challstedt replied that he did not have the total NAP acreage.

Chair Sutherland asked Pene Speaks how many acres were currently under NAP status.

Ms. Speaks replied that there are 30,000 acres in NAP status and about 130,000 acres in the NRCA's.

MOTION: Bob Nichols moved to adopt Resolution 1268 approving the Hamma Hamma Balds Trust Land Transfer.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

### Mox Chehalis - Chandler # 08-082026 (Handout #3)

Pam Planchich approached the Board to present the Mox Chehalis Chandler purchase. She provided an update on the Department's at risk of conversion purchases:

<u>Acquisitions To Date</u>	
Schuerman 40 (Northeast Region)	\$118,000
Lyre River (Olympic Region)	32,000
Price Lake (South Puget Region)	25,000
Ennis Creek (Olympic Region)	15,000

Bear Creek (Northwest Region)	4,150,000
Lower Buck Creek #1 (Southeast Region)	218,000
Total to date	\$4,558,000

Ms. Plancich noted that the Department has acquired at risk of conversion properties in each region.

The Department of Natural Resources proposes to purchase 42 acres, more or less, of real property owned by Baldwin, Chandler, Brown and Davidson, a partnership, located in Grays Harbor County. The purpose of this purchase is to acquire working forest lands at risk of conversion to non-forest use. The Common School Trust will acquire property that has income production potential and eliminates an edge holding and future access issues.

The property is approximately 5 miles southeast from Elma, within Section 16, Township 17 North, Range 5 West, W.M., in Pacific Cascade Region. Purchase price is \$172,100, which includes \$8,480 in reprod value. This property purchase is authorized by RCW 79.17.210 and within the appropriation provided in Section 3043, Chapter 328, Washington Laws of 2008 which amends Section 3214, Chapter 520, Washington Laws of 2007. This provides an opportunity to acquire this 42± acre edge holding abutting the Capital Forest block of trust land. Acquisition of this property meets the "at risk of conversion" conditions outlined in Section 3043. Conveyance of title will be by Statutory Warranty Deed and title insurance will be provided by the seller. Minerals have been reserved by the State.

Ms. Plancich explained that the property is zoned D-5 which is one home per 5 acres. It is site class 2 ground and currently has 20 year old reprod on it. She noted that there is an adjacent 7-acre parcel that the Department is negotiating to purchase from another party only if the Board approves the Mox Chehalis – Chandler purchase. The fair market value was determined by an independent third party appraiser to be \$172,100; the Department's investment value was \$500/acre or \$21,000 with timber at \$8,480 for a difference of \$142,620 on this property.

Chair Sutherland asked if the development premium was \$142,620.

Ms. Plancich said that was correct.

Chair Sutherland explained that if this were timber lands as a timber purchase the price would have been significantly less at about \$29,500, but the development value of one parcel per 5 acres increases the value for residential purchases, so the premium the Department is paying to avoid conversion is \$142,600.

Ms. Bergeson asked if the reason for purchasing this batch of properties and the ones previously discussed is to preserve the ability to use the forest land and create a viable zone around it.

Chair Sutherland said that was the case.



Bob Nichols asked if there are any restrictions on the use of this money and if down the road the Department could sell the property for real estate at a higher price, or if it is protected from any further development against conversion.

Ms. Plancich replied that the Department is buying it to protect against conversion and the legislature will reimburse the trusts the difference for the development value.

Bonnie Bunning approached the Board to address Mr. Nichols' question. She explained that the budget proviso that talks about using the replacement funds for lands at risk of conversion does not say anything about a prohibition against development down the road, the expectation is worded that it is the legislature's intent to have the development rights leased by a public entity. It remains to be seen how that will be worked out, paid for, and what public entities might want to lease the development rights; but there is nothing that says if no one acquires those development rights there is any prohibition against sale or development at this point.

Ms. Bergeson asked if the Department can't develop any further than the existing homeowners.

Ms. Bunning explained that the Department's purpose is to acquire land that is good for forestry and is zoned for development in order to maintain the forestland. She said that in the long run the more land that is converted out of forestry the more difficult it is to support forestry industry and facilities in the state. The more homes and houses and development encroach on forest lands the more difficult it is to practice forestry; the idea is to buy in-holdings and edge-holdings and consolidate blocks of land to be managed for the trusts so they can go into the future as forest lands and be viable. However, there is no prohibition in developing those lands in the future.

Mr. Nichols said that he understood her comments to mean that the expectation would be to not convert the lands to other uses.

Ms. Bunning said that was correct and this is an attempt to keep these as forest lands into the future. However, paying the extra development value could create some tension if the leasing or sale of development rights doesn't occur.

Mr. Bare said that the statute says "lease", and asked if that meant leasing the development rights for this parcel or development elsewhere in Thurston County. He said he thought it meant the rights for development but not the actual development of this property.

Ms. Bergeson said that she understands the purpose of purchasing property at the development value is so that the Department can slow down the growth of housing right next to where it wants to work the forest. She said she is not sure whether the intention is to work the forest on the property or not, and is confused about why the Department would lease the rights.

Chair Sutherland explained that this is a way that the legislature could compensate the trusts for the use of the lands at development value.



Ms. Bergeson asked why anyone would lease the land if they weren't going to develop it.

Chair Sutherland said it is a way to be able to compensate the trusts.

Ms. Bunning explained that there is a forest investment value and the Department would pay a certain amount of money to manage the land for forestry and derive a decent return from a forestry activity. When the Department pays more, it is ultimately managing that property for forestry but is buying it as if it is going to develop it, so the return is much less from that investment. If the Department can manage the land for forestry and get paid not to develop it through a lease then it is getting a healthy return on its money.

Ms. Bergeson asked if the legislature is giving the Department the money.

Chair Sutherland said to think of it as a corporation where a private landowner would sell the development rights but keep the land and manage it. In essence the legislature is acquiring a conservation easement and the Department continues to manage the lands. They have compensated the trust through that transaction.

Ms. Bergeson asked if the Department is losing on this, and if the land base is being preserved also if the ability to work the actual working forest is being safeguarded.

Ms. Bunning replied that it is and that the piece missing is how that leasing might happen and who pays for it. She said if leasing is in place and lands don't get converted, the Department can practice forestry there and the value for the trust is the same as it should be and is compensated.

Ms. Bergeson said that she is still confused about the fantasy leasing.

Chair Sutherland assured Ms. Bergeson that it is confusing and he would prefer a more direct approach.

Ms. Bergeson said that the description is so ambiguous that she fears the loss of freedom the Department may have in getting the lease amount paid.

Ms. Bunning explained that the trust could make more money developing the property or selling it for development than from forestry, unless that extra value is compensated, which is the whole idea of leasing or selling development rights.

Ms. Bergeson said she understood that to mean that if the Department wanted to build houses on the land they could make a certain amount of money, so they are paying ahead of time not to develop it.

Mr. Bare asked if the Department sold the lease for development somewhere else in Thurston County if that income goes back into the general fund.

Ms. Bunning said that the income would go into the Common School Construction Account.

Mr. Bare replied that the Department has already been compensated though.

Chair Sutherland explained that the Department paid a premium of \$142,600 and will go to the legislature and ask them to buy the premium or to reimburse the Department, or they could reimburse the Department through leasing it.

Ms. Bergeson asked if the Department gets the money up front from the legislature.

Chair Sutherland said that was correct but that the total amount won't be known until the deal is complete,

Ms. Bergeson said that the Department wants to work the forest and keep development from happening so it knows it won't realize the other \$143,000 that it would get for developing it. She asked if it is just a matter of timing before the legislature turns the money over.

Ms. Bunning said that is presumably so, but isn't the intention of the equation.

Ms. Bergeson asked if the construction account sits fallow of that money while this is worked out.

Chair Sutherland explained that the money that is used comes from the replacement account, not the construction account, and that the school trust gets their monies up front. He gave an example: in the Hamma Hamma Balds Trust Land Transfer transaction the timber value went directly into the construction account, the land value goes into the replacement account and the replacement account is what is used to acquire this land.

Mr. Bare added that the balance of the replacement account was \$40 million at the start of the last biennium.

Chair Sutherland replied that it was estimated to be \$70 million in this biennium.

Mr. Bare asked if the Department has been compensated by the legislature.

Chair Sutherland replied that it has not and that would be sought through a supplemental budget request in the next session.

Mr. Bare asked if the Department was going to ask for \$4.6 million.

Chair Sutherland stated that the Department will ask for what it has spent up to the time of the request.

Ms. Bergeson asked what would happen if the legislature decided they didn't want to pay the Department.



Chair Sutherland said the legislature would be reneging on the deal.

Ms. Bergeson said that the Department is betting on the integrity of the legislative process to produce the return.

Ms. Bunning explained that the Department has been very careful in the acquisitions it has made; it's had over \$40 million to invest and hasn't gone aggressively in that direction. She said the Department will find out where it is in acquiring those development rights by the legislature in this session. She explained that there is the mechanism to do it and then there is the money.

Ms. Bergeson said that the assumption is that there has been a promise made that needs to be delivered on.

Chair Sutherland said that is correct and that the Department won't know what that is until the transactions are complete so it knows what the premiums are.

Mr. Bare asked because of the tight budget situation if there is any fear that the legislature may tell the Department to lease the development rights to get the money back.

Ms. Bunning asked if he meant to lease them to someone else.

Mr. Bare said he doesn't know if there is a market and he presumes it has to be in Thurston County.

Chair Sutherland explained that was a whole different program which is the utilization of development rights by the private sector buying that development right in the urban growth area. That would require another set of legislative authorizations.

Mr. Bare asked who the Department would lease to.

Ms. Bunning replied, a "public entity."

Mr. Bare asked if the public entity had to be in the county the parcel was located.

Ms. Bunning said that it did not have to be in the same county. She explained that the Department has done a couple transactions where the development rights were acquired by King County and the Department bought the underlying forest land value. King County bought them instead of leasing them because they wanted the land not to be converted so they were willing to make that investment. It is theoretically possible, and that is just a straight investment in the development rights to take them out of the picture. Transfer of development rights is a whole different mechanism and that is not what we are talking about. We are talking about a public entity stepping up to the plate and acquiring the development rights through a lease. She said she imagines that the legislature was thinking anything from state to local government, but it was stated only as intention.

Ms. Bergeson asked which transaction from the list the Board is being asked to act on today.

Ms. Plancich replied that the original list included transactions that had already been done.

Ms. Bergeson said that the Board would be adding to that list.

Ms. Plancich agreed.

Mr. Nichols mentioned to Ms. Bunning that he recalled that she and Clay Sprague had taken a strategic look at where to buy these properties and asked if there was intention there or if it just happened that there was one in each region. He asked if this purchase was part of a broader strategic vision about opportunities to protect against conversion.

Ms. Bunning said that was right, and that two things are going on simultaneously. The Department was not seeking to make one purchase in each region. It was working on that strategic look and where the best opportunities would be for the trusts at the same time it began the biennium seeking properties that were on the market and met the at-risk criteria. The largest purchase to date, the Bear Creek purchase, is where the Department has the highest priority to acquire and some of these other parcels were in desirable areas and available.

Ms. Bergeson asked Ms. Plancich to review the benefits of the transaction.

Ms. Plancich explained that if the Department purchased the property it would receive high site ground with maturing timber on it. Future trust revenues are improved with the 20 year reprod, which puts the Department on its way to getting merchantable timber, and would help protect DNR's maturing forests in Capitol Forest from future development.

Ms. Bergeson asked if the trust revenues are improved because of the 20 year projection.

Ms. Plancich said that they are. She said that this purchase will also stop the encroachment of homes and others' agendas that don't match with timber growing.

MOTION: Bruce Bare moved to approve Resolution 1273, approving the Mox Chehalis Chandler purchase.

SECOND: Bob Nichols seconded.

ACTION: Motion passed unanimously.

Chair Sutherland noted that the \$4.5 million expended is the total acquisition costs of the properties noted in the list. The premium is less than that but he is not sure what that number is.

Ms. Bergeson asked what the next steps in this process will be.



Chair Sutherland explained that the Department will ask the legislature to reimburse it for the timber value and the conversion value and that money will be put back into the acquisition account.

## **CHAIR REPORTS**

Chair Sutherland provided the Board members with a copy of the Lake Whatcom Landscape Pilot Project report. He provided an overview of the Board retreat for Ms. Bergeson. He talked about the work being done on the last major log jam in Lewis County, noting that it will take until the end of the month to finish the removal of the logs. He explained that the costs are being covered by a special appropriation out of the Governor's budget. He said that the Department is spending significantly less on the log removal than was initially anticipated; the original estimate was \$5 million, but the Department didn't know that citizens would be doing some of the work themselves which reduced costs significantly. He noted that the removal program costs will be somewhere in the \$500,000 to \$700,000 range. The costs of the most recent project are being covered by the operator; he is processing the wood and selling it. The Department's cost involved construction of the road to access the site plus removal of the road across the farmer's pasture.

Chair Sutherland said there would a report on the fire season next month. He said that the fire damage appears to be less than the 10-year average both in acreage and in costs. He said that the Aquatics Division has been involved in removing the sinking dry docks in Lake Washington. That project was originally thought to be a \$2 million project but may be less than anticipated because the demolition will be done in the water and individual pieces removed. Aquatics has also been busy removing a large derelict vessel known as the "Cupcake" from the Port of Tacoma; there is a long list of vessels that the Department will be involved in removing.

Mr. Nichols asked where the money to remove the derelict vessels comes from.

Chair Sutherland explained that the fees come from the vessel registration fee and that the legislature added \$3.00 to the cost of those fees and that goes into the derelict vessel fund. The Department works with the local jurisdictions on a 90/10 basis; the local jurisdictions help with the 10%. The Department tries to secure as much as it can from the vessel owner if they have an available assets. He reported that it has been a busy summer for the Department.

## **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

Bob Dick from the American Forest Resource Council approached the Board to address the Blowdown project. He said he was impressed with DNR staff's energy and how they have addressed the blowdown. He said it is gratifying to see an operation with such strong leadership and energy from the top to the bottom. He said that the Forest Service has not been able to figure out what they need to do to deal with their blowdown because they fear an appeal. One of the lessons that he hopes to come out of the job that DNR has been able to do is to take a look at the Department's ability to manage the land and take a look at the Forest Service and how their ability to manage the land has been taken away from them. He said that the Department is 20 years away from that and there is a lesson to be learned from what happened

to the Forest Service and what could happen to the Department. He respectfully suggests that the lesson is to figure out how to avoid falling in to that morass.

Brenda Hood approached the Board to announce her resignation from state service. She will be working for the University of Washington to finish a national study of education reform in the country while she finishes her Ph.D. She thanked the Board for the opportunity she has had over the last 9 years. Ms. Hood said she will continue to support Ms. Bergeson over the next few months but the end of this month she will be moving into a new direction of academia.

Chair Sutherland thanked Brenda for everything she has brought to the Board.

Meeting adjourned at 10:19 a.m.



Approved this 7<sup>th</sup> day of October, 2008

  
Doug Sutherland, Commissioner of Public Lands

  
Bob Nichols for Governor Christine Gregoire

  
Terry Bergeson, Superintendent of Public Instruction

EXCUSED


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Jon C. Kaino, Commissioner, Pacific County

  
Bruce Bare, Dean, University of Washington

EXCUSED

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Daniel J. Bernardo, Dean, Washington State University

Attest:

  
Bonita Hill, Board Coordinator